



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
October 10, 2011
5:00 P.M.

COUNCIL MEMBERS PRESENT:

S. Marmarou, M. Goodman-Hinnershitz, F. Acosta, D. Sterner, V. Spencer, D. Reed, J. Waltman

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, C. Younger, C. Geffken, S. Haver, C. Edwards, L. Olson, F. Denbowski

Mr. Waltman called the Committee of the Whole meeting to order at 5:10 p.m.

I. CDBG Action Plan HOME Funds/BPRC Eminent Domain and Appraisals

Mr. Haver distributed a handout showing the funding of the proposed projects to be undertaken by Habitat for Humanity, Neighborhood Housing Services and Berks Housing Development Partnership if these amendments are passed. He explained that HUD funds have a timeline to commit the funds within two years and spend it within five years. He stated that Habitat for Humanity would improve three scattered site projects within the Ricktown area.

Mr. Marmarou voiced his frustration that there are long delays between when funds are found and when Council learns of them. He stated that Council may have input on how to use the funds. Mr. Haver stated that these funds were discovered in March of 2011.

Mr. Marmarou stated that seven months have passed since the funds were discovered and when Council was informed. He noted that Council needs to learn of the availability of funds sooner to determine their best use. Mr. Haver stated that HOME funds must be used for affordable housing. He stated that he has been working to develop these projects and has applications submitted.

Ms. Kelleher stated that passing these resolutions will affect the BPRC's ability to work with the Redevelopment Authority to acquire properties. She stated that the BPRC has no funding in the 2012 Action Plan. Mr. Haver stated that the BPRC can utilize demolition funds only.

Ms. Kelleher stated that limiting the BPRC to working with Habitat for Humanity and NHS will not allow the City to move forward with the CORE program or undertake the eminent domain process. She explained the process to be used. Mr. Haver explained that using federal funds for the CORE program would be difficult.

Ms. Kelleher stated that the BPRC would then only be able to work with properties that are surrendered by their owners or located within the NHS or Habitat for Humanity target areas.

Ms. Goodman-Hinnershitz stated that this shows the City does not address priorities. She stated that funding for the BPRC should be a priority and voiced her concern that there is no funding mechanism to continue the work of the BPRC. She questioned if these agencies were chosen through the RFP process. Mr. Haver stated that it is an open application process.

Ms. Goodman-Hinnershitz stated that the City's priority needs are not addressed by these agencies.

Ms. Reed stated that these resolutions would remove the City's ability to lead this project. She stated that the City should not give up its control.

Mr. Waltman noted his concern that the BPRC is not involved in these transactions. He noted that the BPRC cannot gain control of properties without this funding. He noted that housing is Reading's number one issue and the BPRC must fit into the big picture.

Mr. Olson stated that the BPRC has certified approximately 80 properties. He stated that there are approximately 3,000 properties eligible and noted the BPRC's hope to increase the number of properties the BPRC certifies but stated that the loss of funding would create a log jam.

Mr. Waltman stated that there are also other implications to the City's housing. He stated that common sense states that the BPRC process will uplift the City's housing stock. He questioned the cost to process 80 properties. Mr. Geffken stated that it would cost approximately \$2 million.

Mr. Geffken explained the rationale to fund Habitat for Humanity and NHS. Ms. Kelleher stated that blighted properties are in all parts of the City but that NHS will only agree to assist with properties in Ricktown and Habitat for Humanity will only assist in their three target areas. She stated that the CORE program can only proceed if the Redevelopment Authority obtains the title.

Mr. Sterner stated that he is bothered that other entities receive funding and that coordination is lacking.

Mr. Spencer added that these entities also have their own funding. Mr. Haver stated that Habitat for Humanity also brings volunteer manpower.

Mr. Spencer questioned who was funding the proposed projects. Mr. Haver stated that both funding sources would be used for these projects.

Mr. Spencer stated that Habitat for Humanity and NHS will only agree to assist the City with projects they are willing to undertake. He stated that he shares Mr. Sterner's concern about uncoordinated efforts. He noted the limited funding available and the need for the City to fund its priorities. Mr. Geffken stated that the 2012 Action Plan gives control to NHS and Habitat for Humanity to work to acquire BPRC properties.

Mr. Waltman questioned the number of properties ready for the eminent domain process. Ms. Kelleher stated that there are 15 – 18 properties ready now. She stated that all the properties are not within the target areas.

Mr. Waltman noted the need for better coordination. Mr. Haver stated that NSP 2 funds through Our City Reading could also be used for blight.

Mr. Spencer questioned funding for the BPRC. Ms. Kelleher stated that they lose all their funding if these resolutions are passed. She stated that the Redevelopment Authority must take possession or the properties cannot move forward through the process.

Mr. Olson explained that the Redevelopment Authority is the only entity who can take properties by eminent domain. He stated that the Redevelopment Authority would need to work with Habitat for Humanity and NHS. He stated that funds to perform deed research, relocation of residents, and other costs will add up quickly.

Mr. Waltman noted his concern that there does not seem to be a hard effort made to work with the BPRC. He suggested that a percentage of the funds be committed to BPRC projects. Mr. Haver stated that this can be made part of the contract.

Ms. Goodman-Hinnershitz stated that they must also work on properties outside their target areas.

Mr. Spencer questioned how many properties NHS can rehabilitate per year. Mr. Haver stated that they can rehabilitate two per year.

Mr. Spencer questioned why they would receive funding for two projects per year. Mr. Haver stated that they would receive operating funds to increase the number of properties they can rehabilitate in one year.

Mr. Spencer questioned why Berks Housing Development Partnership was chosen as the Community Housing Development Organization (CHDO). He questioned if others could be identified. Mr. Haver stated that there are only two CHDOs located within Reading.

Ms. Kelleher stated that the Redevelopment Authority is also a CHDO. Mr. Geffken stated that he was unaware of their status as a CHDO.

Mr. Spencer noted the need to address blighted properties. Mr. Haver stated that these resolutions will address blight. He stated that a strategic plan is needed but that these HOME funds must be used to make the biggest impact possible.

Mr. Spencer explained that if these resolutions are approved, the BPRC has no funding unless the Redevelopment Authority agrees to cover the expenses.

Ms. Edwards explained that Our City Reading and Berks Housing Development Partnership do not work within target areas. She suggested that they work with the BPRC.

Mr. Sterner questioned why the City would work with NHS if their capacity is only two properties per year. He noted the need to do more.

Ms. Goodman-Hinnershitz described the situations with two properties on Fairview St. She stated that one property is being rehabilitated with private funding and is moving forward quickly. She stated that the other property is being rehabilitated through the BPRC process. She noted the need for timelines for project completions to move properties out of blight more quickly.

Mr. Sterner questioned how the BPRC decides which properties to pursue. Ms. Reed stated that the BPRC and their staff decide.

Ms. Kelleher stated that acquisition funds were used in the past to pursue the properties. Mr. Geffken stated that the demolition funds have been increased in the 2012 Action Plan to \$575,000 and are not only for emergencies.

Ms. Reed questioned who was on the Boards of these agencies, specifically the Berks Housing Development Partnership. She questioned if any members overlapped with the Our City Reading Board. Mr. Haver stated that the BHDP was a joint effort between the Housing Authority and Hispanic Center. He stated that the Hispanic Center is no longer a partner.

Ms. Reed questioned who the acting chair is. Mr. Haver stated that Dan Luckey is chair.

Ms. Reed again requested a list of the Board members. Mr. Geffken stated that they will be provided.

Ms. Reed suggested tabling these actions until the Board members can be reviewed.

Mr. Spencer suggested holding a joint meeting between the BPRC, NHS, and Habitat for Humanity. He noted the limited funding and the need to leverage BPRC projects. He stated that this process is also time consuming for staff. Mr. Olson stated that joint meetings were held in the past but not for this specific topic. Ms. Kelleher stated that a meeting was held and that the entities agreed to review the properties and decide their interest.

Mr. Spencer questioned their interest. Ms. Kelleher stated that they are usually within the target areas.

Mr. Waltman noted the need for better planning. He stated that there are a number of ways to obtain properties and noted the need for a certain percentage of this funding to be used on blighted properties. Mr. Haver stated that he is willing to add this to the contract and have Council review it before it is signed.

Mr. Geffken stated that there is a cap on blight funding. Mr. Haver stated that the cap is \$600,000.

Mr. Sterner noted the need for these entities to meet with the BPRC. Mr. Haver suggested that they would be willing to meet.

Mr. Acosta expressed the belief that this funding cannot be used to increase rental units. He stated that the BHDP will increase rentals and that the others encourage homeownership. He stated that increasing rentals will create bigger problems and stated that the City has enough rentals. He stated that he will not support anything which increases rentals.

Ms. Reed stated that Reading never had a distinct housing strategy. She expressed the belief that the City just throws funding around and that this has created the poorest City in America.

Mr. Olson stated that he will schedule the meeting and include Ms. Kelleher and Mr. Haver. He stated that a strategic housing plan is needed.

Ms. Goodman-Hinnershitz stated that resolutions come before Council and passage is urgent and poor decisions are made. She noted the density of the City and that the number of rental units drives the poverty rate. She noted the need for homeownership.

Mr. Olson stated that he will schedule the meeting within the next 30 days.

Mr. Acosta expressed his belief that if the BHDP does not have a Board established they should not receive funding. Mr. Haver stated that this information should have been included with the funding application.

Ms. Kelleher stated that the BPRC cannot perform without funding and no funding has been allocated in the 2012 Action Plan. She stated that this would eliminate the CORE program and the means to acquire properties outside target areas. She noted her discomfort giving away control of this process to other entities. She stated that realtors cannot market properties not possessed by the Redevelopment Authority. She stated that the CORE program will also support homeownership.

Mr. Waltman questioned why the Redevelopment Authority was not receiving these funds. Mr. Haver stated that the Redevelopment Authority cannot produce affordable housing.

Mr. Olson stated that only the Redevelopment Authority can take properties through eminent domain.

Mr. Spencer stated that Council can address the BPRC funding for 2012 but questioned why it was not included. Mr. Geffken stated that it was his hope to use NHS and Habitat for Humanity as the vehicles to do the work of the BPRC.

Mr. Waltman suggested that BHDC receive \$300,000 and stipulate that the funds be used city-wide for blighted properties.

Mr. Spencer and Ms. Reed stated that the membership and mission of the BHDC is unknown.

Mr. Acosta stated that BHDC will increase rental properties.

Ms. Goodman-Hinnershitz stated that Council cannot lose site of the CORE program as this is the private sector. Ms. Kelleher stated that CORE properties will not be within the target areas and they need to be properties that are marketable. Mr. Haver stated that HOME funds can only be used for affordable housing.

Mr. Waltman suggested that these are not appropriate vehicles at this time. He stated that increasing rentals will increase density. Mr. Haver suggested lease to own agreements.

Mr. Waltman questioned the timeline to commit these funds. Mr. Haver stated that they must be committed by August 2012.

Mr. Waltman stated that this gives the City time to develop a strategy before earmarking the funds. Mr. Haver stated that this is a very complex issue.

Mr. Spencer stated that these concerns will be addressed at the joint meeting. He noted his willingness to fund the entities if it is appropriate. He noted the need for BPRC funding to appear in the 2012 CDBG Action Plan. Mr. Geffken stated that he will hold a meeting on this topic tomorrow.

Mr. Acosta questioned the cost per appraisal. Mr. Haver stated that it was just rebid and will be \$350 per property.

Mr. Acosta stated that Fulton appraisals are performed for \$150 for drive by and \$250 if interior information is needed. He stated that the City should have a lower price.

II. Recreation Commission Appointments

Mr. Spencer stated that the Administrative Oversight Committee has brought Eddie Moran, Otis Smith and William Hall forward. He stated that the applications of the other candidates were forwarded to the School District for their consideration.

Ms. Reed stated that Mr. Taddei was also an excellent candidate. She stated that Mr. Smith currently serves on the Park and Recreation Advisory Committee. Mr. Younger stated that the Charter Board has opined that the Recreation Commission is an intergovernmental entity and Charter Section 1002 does not apply.

Ms. Reed requested a review of the Charter Board opinion. Mr. Younger stated that the Charter Board made a distinction with the Recreation Commission and there is no risk of Charter violation.

Mr. Spencer questioned if the Mayor supported these appointments. Mr. Denbowski stated that the Recreation Commission process was slightly different from other Mayoral recommendations. He stated that the Administrative Oversight Committee interviewed all the candidates and brought three names forward to the Mayor. He stated that the Mayor supports these candidates.

Mr. Acosta stated that the Mayor should be using his power in this instance to ensure that the best candidates are appointed. He stated that the City gets only one chance to get this right. He questioned the Mayor's support of these candidates. He stated that the terms are for three years and much damage can be done in that time. He stated that when the two original recommendations were made by the Committee there were only two applicants. He stated that there were a total of seven candidates at the end of the process. He noted that Council must be sure it is doing the right thing.

Mr. Waltman stated that the Administrative Oversight Committee has brought three names forward. He questioned if there were problems with the recommendations. Mr. Spencer

stated that the Administrative Oversight Committee interviewed all the candidates. He stated that they made recommendations to the Mayor which he supported.

Ms. Reed stated that all interviews should have been done together. She stated that the final five interviews were more insightful with the participation of Mr. Schorn. Mr. Waltman stated that this is a Committee issue and Mr. Schorn is not a member of the Committee.

Mr. Waltman again stated that three names were brought forward by the Committee with support of the Mayor. He questioned the issues with these candidates. Ms. Reed stated that in retrospect the interviews should have occurred on the same day. She noted there was no malicious intent.

Mr. Waltman questioned if the Committee was rethinking their recommendations. Mr. Marmarou stated that they were not.

Ms. Goodman-Hinnershitz stated that Council held discussions regarding the Commission after the first set of interviews. She stated that there were two levels of questions and unequal interviews. She noted the need for the candidates to have the ability to serve the Commission and make it fiscally sustainable.

Mr. Spencer stated that it was helpful to have Mr. Schorn at the interviews but that he is not a member of the Administrative Oversight Committee. He stated that the Commission will set their parameters and will be searching for an Executive Director which will further set parameters.

Mr. Marmarou stated that the first two candidates were brought back in for a second interview to clarify the issues discussed by Council. He stated that they responded appropriately.

Mr. Waltman stated that Council depends on the Committee. He questioned if they were ready to move these candidates forward.

Mr. Acosta again questioned Mr. Smith's ability to serve in two capacities. Mr. Younger stated that State Statute gives this authority for inter-governmental agreements.

Ms. Kelleher provided the Charter Board's opinion.

III. Agenda Review

Ms. Kelleher distributed legislation which the Administration requested be added to this evening's agenda.

The agenda for this evening's meeting will be amended to add resolutions declaring the sewer main break an emergency, authorize a Pennvest application for the force main project, and

authorizing funding for the force main project from the sewer fund. A resolution was also submitted for a lease agreement for a community garden at 2nd & Franklin Sts.

Council reviewed this evening's agenda including the following:

- Ordinance amending the zoning map

Ms. Reed explained that this is a small parcel which is mostly located in Muhlenberg Township. She stated that there is no residential impact.

- Ordinance amending the Quality of Life ticketing program

Mr. Geffken suggested tabling the ordinance.

Ms. Reed and Ms. Goodman-Hinnershitz stated that they were prepared to move forward.

Mr. Spencer stated that this amendment would make property owners responsible for sidewalks and alleys and that it would include plant growth. He stated that the amendment would also require containers, with lids, for solid waste and that the containers be stored in the rear of properties. Containers can only be brought forward after darkness.

Mr. Waltman stated that current regulations state that containers can be brought forward after 6:30 pm. Ms. Kelleher stated that there is disconnect between the Property Maintenance Code and the Solid Waste Ordinance.

Mr. Acosta stated that he is against the alley portions of the ordinance. He stated that not all properties have exterior access to bring containers forward but that most stored in front of properties are screened and cannot be seen.

Mr. Waltman stated that the differing times make it difficult for residents to be in compliance. He noted that consistency is needed or people will be confused.

Ms. Goodman-Hinnershitz stated that it is also difficult to enforce the ordinance if it is inconsistent. She described a situation where many containers are left on one sidewalk but do not belong to the property owner.

Mr. Spencer questioned if lids for recycling buckets were available. Mr. Denbowski stated that the new buckets are a different size and the lids available don't fit.

Mr. Waltman questioned requiring lids if none are available.

Mr. Denbowski questioned if bags were considered containers. Ms. Reed stated that the ordinance reads that the bags must be in a container.

Mr. Denbowski stated that the trash removal bid allows for bags not in containers and has reduced the cost. He stated that the contract states that bags are considered containers.

Mr. Spencer noted the need for consistency.

Mr. Denbowski stated that lower back injuries occur when lifting bags out of containers. He stated that this would change the bid price due to insurance issues.

Ms. Goodman-Hinnershitz suggested tabling the ordinance as further discussion is needed.

Mr. Waltman questioned if a bag was a container. Mr. Denbowski stated that it is.

Mr. Waltman questioned the number of bags allowable per week. Mr. Denbowski stated that eight bags per property can be out weekly.

- Resolutions regarding the sewer force main

Mr. Spencer questioned if sewer funds are available for this project and if the Department of Justice approved the project. Mr. Geffken stated that funds are available and that the project has been approved. He stated that the application deadline for Pennvest is November.

Mr. Spencer questioned if PennDOT was approached for reimbursement of funds. Mr. Geffken stated that he has not approached them.

Ms. Reed stated that the damage was done many years ago and statute has run out. Mr. Geffken stated that he has been focused on making the repairs and moving the project forward.

Mr. Spencer suggested that the PennDOT issue be revisited.

Mr. Waltman suggested that the City provide documentation showing PennDOT's responsibility and send them a bill.

- Resolution for Community Garden at 2nd and Franklin Sts

Ms. Kelleher questioned if the community garden lease could be approved by resolution or if it needed to be an ordinance. Mr. Younger stated that it should be an ordinance and suggested it be introduced this evening.

Ms. Kelleher requested that the resolution be reformatted into an ordinance and resubmitted.

The meeting adjourned at 6:57 pm.

Respectfully Submitted
Linda A. Kelleher, CMC, City Clerk